VIEWPOINT

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U.S. Must Ensure Dominance In Aerospace Industry

This May marked the 75th anniversary of Charles Lindbergh's historic flight across the Atlantic. Since then, aviation technology in the U.S. has reached a level of sophistication unmatched in the world.

Beginning in 1940, when President Franklin D. Roosevelt first called for the production of 50,000 military aircraft, our security has been inextricably linked to the overall success of the U.S. aerospace industrial base. In the commercial sector, America's air industry has been globally dominant, contributing an estimated $259 billion to the nation's economy in 1999. In 2000, the latest year of comparative data, the U.S. aerospace industry posted the highest trade balance of all industry categories. However, despite these positive statistics, it is clear that the U.S. is involved in a quiet and increasingly difficult struggle to maintain our world leadership in the aerospace field, both commercially and militarily.

In January 2001, the European Union unveiled its plan for gaining dominance of the global aerospace market, entitled "European Aeronautics: A Vision for 2020." This plan lays out an ambitious $93-billion agenda for winning global leadership in aeronautics and aviation over 20 years. Despite our decades of success in the aerospace field, if the U.S. fails to meet this focused, coordinated effort by our European competitors, we will jeopardize our economic and security advantages in one of the most important capital goods industries.

Due to a combination of a shrinking workforce, loss of market share to European competition, declining government and commercial investment in aerospace research and development, unfair foreign trade practices and strict U.S. export controls, the U.S. aerospace industry already finds its leadership role shrinking. Aerospace sales as a percentage of Gross Domestic Product fell from 3.5% in 1960 to 1.5% in 2000. The aerospace industry-produced trade surplus for 2000 fell to $26.7 billion, down from $41 billion in 1998. Industry sales are forecast to decline in 2002 by $10 billion, and increased sales to the Defense Dept. only partially offset greater reductions elsewhere.

Both private industry and federal funds dedicated to research and development have fallen in constant dollars, from a total of $30 billion in 1985 to less than $14 billion in 1999 (the latest year for which data were available). This downward trend has coincided with a similar direction in the U.S. share of the world aerospace market, which declined during the same period from about 70% of the global market to less than 50% now. A resurgent Europe has become a formidable commercial adversary at the same time that U.S. industry is losing market share, yet the administration has proposed to cut $58 million in aeronautics research at NASA and $20 million at FAA for next year.

In an attempt to reverse these trends, and protect our economic and security interests, I have introduced the Aeronautics Research and Development Revitalization Act of 2002, H.R. 4653. Co-sponsored by a bipartisan group of my colleagues—and supported by a variety of industry, academic and citizen groups—this effort would double federal investment in aviation and aeronautics R&D over the next five years. The bill recognizes the aerospace industry's role as a central driver of economic growth in the U.S. through its consumption and production of high-technology and its creation of high-paying jobs. The bill is also designed to reflect Congress' intent to respond to the challenge laid out in the European Vision 2020 plan, through vigorous and robust increases to NASA's aeronautics R&D funding and FAA's R&D funding.

Next year will mark the 100th anniversary of Wilbur and Orville Wright achieving the world's first successful powered flight, thus leading the way for nearly a century of American domination in aviation. Leadership will now be required to sustain our aerospace industry to make it as vibrant a symbol of America's prowess in the 21st century as it was in the 20th century.

This legislation is an opportunity for the country to signal its commitment to a strong and robust aviation sector. America has long recognized that its long-term security and ability to sustain high levels of economic growth depend on maintaining its edge in scientific achievement and technological innovation. If we lose our edge in the areas where we are most vibrant, as it is happening now, our economic prospects will be dimmed and our security will be threatened. Aviation was born in America nearly 100 years ago, and we cannot allow one of the most important U.S. industries to slip to second place in the world on our watch.